

INDIAN MARITIME UNIVERSITY

(A Central University, Govt. of India)

End Semester Examinations - December 2018

SEMESTER-III

M.B.A (Port and Shipping Management) /

(International Transportation and Logistics Management)

Logistics & Supply Chain Management (PG21 T2301/PG22 T2301)

Date: 26.12.2018

Maximum Marks : 60

Time: 3 Hours

Pass Marks : 30

PART A

(Answer all the Questions)

12x1=12

1(a) _____ equals (Quality + Technology + Service + Cycle Time) ÷ Price.

- A.Efficiency
- B.Value
- C.Total cost
- D.Target cost

1(b)customer profitability analysis considers

- A.Net sales value of customer and no of products
- B.Cost of goods sold and transaction value
- C.Net sales value of customer and cost of service
- D.Gross margin and number of customers

1(c)Factors to be considered in supply chain are

- A.Revenue, Responsiveness, Reverse logistics, Relationships
- B.Revenue, Responsiveness, Resilience, Relationships
- C.Revenue, Responsiveness, Reliability, Relationships
- D.Reliability, Responsiveness, Resilience, Relationships

1(d)Lean supply chain is suitable for

- A.Perishable commodities
- B.Fashion goods
- C.Functional products
- D.Electronic goods

1(e)Activity_based costing method

- A.First assigns cost to goods and services and then to activities on how much each good or services uses them
- B.Is an approach to reduce total cost in the firm.
- C.Assigns cost only to activities which are variable
- D.First assigns cost to activities and then to goods and services based on how much each good or services uses the activities

- 1(f) A push-based strategy works well for supply chains that focus on
- A. the immediate delivery of off-the-shelf, low-cost, standardized goods
 - B. lean production
 - C. the anticipation of demand or without knowledge of customer orders.
 - D. work centers and offshore sourcing
- 2(a) The most important trade-off in logistics is between:
- A. Transportation and warehousing
 - B. Warehousing and packaging
 - C. inventory and packaging
 - D. Transportation and inventory
- 2(b) If the actual performance of supply chain across all orders for the last 12 months is On-time delivery: 80%. In-full: 90%. Error-free: 75%. Damage free 80% Then perfect order achieved is
- A. 60%
 - B. 54%
 - C. 21.6%
 - D. 120%
- 2(c) In today's market order winning criteria is mostly
- A. Brand based
 - B. Product based
 - C. Service based
 - D. Cost based
- 2(d) Quick response
- A. Aim is to link supplier directly to actual demand at regional level
 - B. Aim is to link manufacturer more directly to actual demand at retail outlet level
 - C. Aim is to link manufacturer to forecasted demand at retail outlet level
 - D. Aim is to compare competitor's performance to actual demand
- 2(e) In CPFR approach
- A. Buyer owns inventory before purchase.
 - B. Distributor receives maximum benefit
 - C. Vendor and buyer together plan inventory levels
 - D. will eliminate stock outs
- 2(f) Which of the following is NOT one of the four perspectives of the Balanced Score Card framework?
- A. Financial perspective
 - B. Internal Business Process perspective
 - C. Customer perspective
 - D. Reliability perspective

PART- B (200 Words)
(Answer any Five out of Seven)

5 x 4 = 20

3. What is meant by bullwhip effect? What factors influence it ?
4. What is the approach followed in Activity-Based Costing? How it helps in achieving competitive advantage?
5. What index can be used to measure customer service? What are its features?
6. Explain the concept of CPFR approach. How it will help in in improving service level?
7. Identify the challenges faced by logistics in globalization.
8. Select a product you have recently purchased. Identify the logistics tasks that would have to take place so that the product is available to you.
9. Compare Direct product profitability with Customer profit profitability

PART C
**(Question No.10 is compulsory and
any three questions to be answered from the remaining)**

4 x 7 = 28

10. Case study.

Analyse the following case and answer the questions given below

Audio Duplication Services is a compact disc and cassette duplication and distribution company. Its major customers, the big record companies, use ADS to duplicate and distribute CDs and cassettes. ADS stores the master tapes and, when a customer requests it, makes a certain number of copies and delivers them to its customers' customers, music stores and other points of sale such as the department stores Wal-Mart and Kmart and electronics stores such as Circuit City and Best Buy. ADS is one of six big players in the audio duplication market. ADS has about 20 percent of the \$5 billion market, while its two biggest competitors share another 40 percent. Managers at ADS are currently trying to understand and react to some difficult supply chain-related issues.

Some of the big national retailers are putting pressure on ADS's customers, the record companies, to manage inventory in the following way, known as a vendor-managed inventory, or VMI, agreement. The record companies will be put in charge of deciding how much of each album, CD, and cassette title is delivered to each store and when each delivery is made. To help with these decisions, the record companies will be provided with continuously updated point-of-sale (POS) data from each of the stores. Also, the record companies will own the inventory until it is sold, at which point payment will be transferred from the retailers to the record companies. Since ADS provides the record companies with duplication and distribution services, the record companies have asked ADS to help with the logistics of the VMI agreement.

In the past, ADS has shipped to the distribution centers of large national retailers, and the retailers have arranged for distribution to the individual stores. Now, the retailers are providing strong incentives to ship directly to individual stores. Of course, this means higher expenses for ADS.

In general, ADS's shipping costs are increasing. Currently, ADS has a shipping manager who arranges with different shippers to make deliveries on a shipment-by-shipment basis. Perhaps there is a better way to manage these deliveries, either by purchasing a fleet of trucks and doing the shipping in house or by outsourcing the entire shipping function to a third party. Maybe something between the two extremes will be best. Of course, ADS is facing even bigger issues, such as the future of the audio duplication industry as online audio distribution technologies become more prevalent. In any event, each record company periodically reviews its contract with its audio duplication service, so management must address each of the above issues effectively for the company to remain successful.

a. Why are ADS's customers' customers moving toward VMI arrangements?

b. How will this impact ADS's business? How can ADS management take advantage of this situation?

c. How should ADS manage logistics?

d. Why are the large national retailers moving toward a direct shipment model?

e. Explain various types of the global markets in terms of cost and influence of local factors. What are the challenges faced in global supply chain?

11. Identify the salient features of conventional organisations and logistics & supply chain based organisations .

12. Explain current trends in supply chain management with examples.

13. What is meant by logistics vision?

14. Explain the term competitive advantage. How logistics help in achieving competitive advantage?

15. How supply chain performance is measured? Explain few Supply chain performance measures.
